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UNCLAS SECTION 01 OF 02 KUWAIT 004727

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STATE FOR NEA/ARPI SWALKER, PM/DTCC FOR PDADE, LONDON FOR  
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SUBJECT: BLUE LANTERN: CASE 966701

REF: STATE 191152

1. (U) Per reftel request, Econoff paid a visit to the offices of "National Contracts Group" (NCG) to ascertain the validity of the company and its stated role as a party to pending license No. 966701. Econoff met with Mr. Omar A. A. Almutawa, President of NCG and Mr. Shahid Ayaz, General Manager of Global Zone Company (GZC), a subsidiary of NCG, described in the company's handbook as "the Projects Division of the National Contracts Group, one of the most dynamic Defense Contracting Organizations in the State of Kuwait."

#### Company Background

2. (U) Based on information provided by Almutawa and Ayaz, and later confirmed by Embassy's Foreign Commercial Service (FCS) office and OMC-K's Director of Foreign Military Sales, NCG is the local agent for Lockheed Martin and GZC provides contract logistical support (CLS) to the U.S. Army LOGCAP III (through Halliburton/KBR), including maintenance and armoring installation for US military convoys operating in Kuwait and Iraq. Embassy's FCS files identify GZC as a special projects division of NCG, founded in 1999 and registered under Almutawa's name. (Note: Almutawa invited Econoff to visit the CLS facility and the company promotional booklet contains emails of appreciation from KBR officials thanking GZC for its maintenance and repair work.)

3. (U) GZC's company booklet describes NCG as a logistics company "founded in 1991 as a Professional Services and Logistics Organization specializing in Defense Logistics, Systems Engineering, Public Sector Projects and Support Services. Its impressive projects portfolio includes a very significant portion of automotive facilities, infrastructure, equipment and technical workforce provisioning services."

4. (U) Ayaz confirmed that NCG has another subsidiary company, National Contracting Group Vehicle Inspections (NCGVI), that was recently awarded the "Motor Vehicle Periodic Inspection" contract by the Kuwaiti Traffic Department to inspect 1 million Kuwaiti vehicles per year. (Note: NCGVI appears to be the "National Contracts Group for Automobile Inspections" company cited by DoD in reftel). Ayaz said that he also serves as Chief Operating Officer of NCGVI and disclosed that the company is a junior partner in a consortium that includes KIPCO, the large Kuwaiti investment holding company headed by the Kuwaiti Prime Minister's son, Sheikh Hamad Sabah Al-Ahmad Al-Sabah.

#### Not Aware of License

5. (U) Neither Almutawa nor Ayaz claimed to have any knowledge of the pending license, including marketing requirements or NCG's role as a party to the license cited in reftel. Ayaz said that two years ago, NCG/GZC had participated in a Textron Bell helicopter bid but that the contract was ultimately awarded to the French company that manufactures Dolphin helicopters. Nonetheless, both Almutawa and Ayaz expressed interest in establishing a private helicopter service for potential investors seeking to do business in Basra, Iraq.

#### Office Description

6. (U) NCG offices are located at the address cited in reftel on the second floor of a modest shopping mall in the Hawalli district of Kuwait City. Econoff, accompanied by an Embassy LES (Locally Employed Staff), arrived at the offices shortly after noon prayers and found an empty office suite. Econoffs were greeted shortly after arrival by Ayaz and escorted into Almutawa's office.

#### Bio Note

7. (SBU) Almutawa is Kuwaiti and appears to be in his late 40s/early 50s. His grandfather, Ali Abdul Wahab, established

the family business in the 1950s as a trading company that continues to serve as the local agent for Volvo, Kia and other foreign companies. Almutawa speaks excellent English and recently attended the farewell dinner at the Ambassador's residence in honor of the departing FCS Counselor. Ayaz is a Pakistani national from Peshawar. He also speaks excellent English and claims extensive defense logistical experience in the Gulf, including Saudi Arabia. Almutawa and Ayaz appeared to get along quite well and seemed knowledgeable about Bell helicopters and defense logistical contracting. Almutawa's conference table had a Bell helicopter calendar and there were models of tanks and other military vehicles displayed on shelves throughout the office. Econoff noticed that both their business cards identified the two officials with GZC rather than NCG, despite the fact that the office signs outside read "National Contracts Group."

#### Embassy Recommendation

18. (SBU) While both NCG and GCZ appear to be functioning businesses in their stated fields of operation, Embassy is inclined to recommend that NCG not/not be permitted to participate in this license application at this time based on Almutawa and Ayaz's confirmed lack of awareness about the license and NCG's proposed marketing role.

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